



Information regarding German tax reclaims

The tax authority in Frankfurt has requested SEB's German subsidiary DSK Hyp AG to retroactively repay transparently reported withholding tax from more than five years ago. SEB strongly opposes the decision and considers these reclaims to be in violation of both EU law, German law and the practice that the tax authority itself applied at the time.

As SEB has communicated in its quarterly reports since the third quarter of 2017, the German Federal Ministry of Finance instructed the local tax authorities in July 2017 to review historical transactions involving the crediting of withholding tax on dividends paid on German shares. The review relates to transactions that were carried out before a change in Germany's tax legislation came into force in 2016 and concerns withholding tax on dividends that have been credited to financial institutions in accordance with the then commonly applied interpretation of the law.

As part of the ongoing tax field audit the tax authority in Frankfurt has requested that DSK Hyp AG repays withholding tax. The request amounts to EUR 425m excluding accrued interest for the years 2008-2013. As previously communicated, minor reclaims have earlier been received, whilst the major part of this claim was received in a letter from the tax authority dated 21 December 2020.

The legal grounds for the major part of the claims have varied over time and are still not clear. The tax authority states that it has exercised discretion in coming to its conclusions against the background that the statute of limitation otherwise would time-bar claims. This unpredictable application of the law means that it is not possible for SEB to have a well-founded opinion about amounts or timing of potential further reclaims.

SEB is highly critical of the outcome of the tax field audit and is of the opinion, with support of legal analyses from external parties, that the tax authority's reclaims are in violation of both EU law and German law. Further, it contravenes the practice that the tax authority itself applied until 2016.

SEB does not plan to make any provisions regarding the reclaims on group level, in accordance with current accounting rules. It cannot be ruled out that potential tax claims could have negative financial effects on SEB. SEB is, however, in an adequate capital situation to manage these claims. SEB will continue to provide information about the process in Germany as appropriate.

DSK Hyp will appeal these claims. This process could require proceedings in further instances and is estimated to take up to five years.

This disclosure contains information that SEB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 22-12-2020 18:15 CET.

For further information, contact:

Frank Hojem, Head of Corporate Communication
+46 70 763 9947
frank.hojem@seb.se

Pawel Wyszynski, Head of Investor Relations
+46 70 462 2111
pawel.wyszynski@seb.se

SEB is a leading Nordic financial services group with a strong belief that entrepreneurial minds and innovative companies are key in creating a better world. SEB takes a long term perspective and supports its customers in good times and bad. In Sweden and the Baltic countries, SEB offers financial advice and a wide range of financial services. In Denmark, Finland, Norway, Germany and the United Kingdom, the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. On September 30, 2020, the Group's total assets amounted to SEK 3,201 billion while its assets under management totalled SEK 2,054 billion. The Group has around 15,000 employees. Read more about SEB at <https://www.sebgroup.com>